

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6045-03
Bill No.: Perfected HCS for HB Nos. 1861 & 1864
Subject: Public Assistance; Social Services Department
Type: Original
Date: March 27, 2014

Bill Summary: This proposal changes the laws regarding public assistance benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown, could exceed \$2,915,137)	(Unknown, could exceed \$2,579,533)	(Unknown, could exceed \$2,579,533)
Total Estimated Net Effect on General Revenue Fund	(Unknown, could exceed \$2,915,137)	(Unknown, could exceed \$2,579,533)	(Unknown, could exceed \$2,579,533)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	Unknown, greater than \$750,936	Unknown, greater than \$901,123	Unknown, greater than \$901,123
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown, greater than \$750,936	Unknown, greater than \$901,123	Unknown, greater than \$901,123

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal	(Unknown, greater than \$11,300)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown, greater than \$11,300)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.018 - SNAP Pilot Project

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** state the use of food stamp benefits at farmer's markets is currently supported by the federal government and Missouri follows that policy. Establishing a pilot program within the DSS is subject to appropriations in this legislation. The food stamp program is entirely federally funded. This legislation proposes a dollar for dollar match with SNAP benefits for every SNAP dollar spent in an amount up to ten dollars per week.

Farmers' markets are not uniquely identifiable in the Fidelity Information Services (FIS) ebtEDGE system, all retailers are the same. FIS cannot identify what the cardholder bought at the farmers market. Location and amount are captured in the EBT system, but there is no mechanism to capture individual items purchased. Receipts would need to be submitted from each participant. State staff would review the receipts and determine the dollar match. Once approved, the FSD would notify FIS. To automatically trigger a match, FIS would need funding up front.

FIS will have to program to identify the authorized markets, monitor the transactions at those specific markets, and determine the amount of funds the cardholders should receive as a reimbursement, move the funds to the cardholder, and collect that amount from the state. In addition, system updates would be needed to add a new fund code to accept the state dollar for dollar match.

The FSD anticipates additional costs associated with FIS, similar to the Summer Electronic Benefit Transfer for Children (SEBTC) program. Initial start up costs to do the SEBTC program were \$34,785. Benefit authorizations would need to be manually entered through the ebtEdge (administrative terminal) system by FSD staff during the pilot program. If fully implemented, batch processes to transmit to Missouri's EBT contractor, FIS, will need to be created by the Family Assistance Management Information System (FAMIS) very similar to what is used today for Food Stamps (SNAP) and Temporary Assistance (TA).

The greatest populated urban area in Missouri has 56,664 households receiving food stamps. The smallest populated rural area has 97 households receiving food stamps. Using the assumption that this program would run for 20 weeks at ten dollars per week for each household, each household would receive an additional \$200 in benefits to use at the farmers market. If only 25% of these populated areas take advantage of the pilot program the FSD would need approximately \$2,838,000 in appropriations. ($25\% \times 56,664 = 14,166$ and $25\% \times 97 = 24.25$ rounded down) ($14,166 + 24 = 14,190 \times \$200 = \$2,838,000$)

Therefore, the cost to the FSD for section 208.018 is unknown but greater than \$2,838,000.

ASSUMPTION (continued)

Oversight notes that DSS did not respond in a timely manner to the fiscal note request for the substitute. In that fiscal note, Oversight assumed the DSS-FSD would incur costs for the pilot projects, of \$0 to Unknown, exceeding \$100,000 annually, since the pilot projects are subject to approval. As DSS has provided information for this fiscal note, Oversight will present costs for the pilot projects, one in an urban area and one in a rural area, of \$0 to Unknown, greater than \$2,838,000, subject to approval.

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)/DSS** state the Family Assistance Management Information System (FAMIS) is gradually being shut down and will eventually be transitioned over to the Missouri Eligibility Determination and Enrollment System (MEDES). MEDES is a multi-year implementation and replacement of FAMIS. The cost to implement this proposal in MEDES is currently unknown. The Supplemental Nutrition Assistance Program (SNAP) is due to be implemented in MEDES by October 2015.

The Electronic Benefit Transfer (EBT) system would create a new program to take in the Food and Nutrition Services (FNS) numbers and store the information into the database.

Another program will search the EBT Transaction history file for qualifying purchases. The qualifying purchases file would be passed back to FAMIS.
EBT estimate is 400 hours per program = 800 hours total.
 $800\text{hrs} \times \$63.04/\text{hr} = \$50,432$

FAMIS would create a program to reload the EBT card for recipients up to the \$10.00 amount. This file would be merged with their daily EBT on a weekly basis.
FAMIS estimate is 400 hours $\times \$63.04/\text{hr} = \$25,216$

Total Cost = \$75,648 (\$37,824 General Revenue; \$37,824 Federal)

§208.024 - TANF Transactions

Officials from the **DSS-FSD** state subsection 1 (Alcohol Purchases) and subsection 2 (Liquor Stores, Casinos, or Gaming Establishments) have no impact on the FSD as this is current law with policies and procedures in place.

Subsection 3 is specific to Temporary Assistance for Needy Families (TANF) benefits and does not currently apply to Food Stamp benefits, therefore the FSD assumes only persons receiving TANF benefits on EBT cards are impacted by this proposed legislation.

ASSUMPTION (continued)

13 CSR 40-2.310(1)(B) states to be eligible for Temporary Assistance, the payee and children must be Missouri residents.

The FSD has policy in place for out-of-state visits. TA participants may visit out-of-state for up to 60 days without interruption of benefits. It is the claimant's responsibility to notify FSD of absence, temporary address, and intended time of return.

If the participant has not contacted FSD at the planned time of return, a notice of case action is sent to the last known address. If the FSD determines that a recipient is no longer a Missouri resident, all public benefits are closed. This is policy currently in place.

Reports would be needed to monitor the out-of-state usage. These are provided by FIS, the current EBT contractor. FIS/eFunds estimates a one-time fee of \$2,500 to create this report for FSD.

Additional technology is available through FIS/eFunds which would provide an alert to assist FSD with identifying TANF participants with only out-of-state EBT transactions for more than 90 days. This technology would allow FSD to identify these individuals sooner than using a monthly report after the month has ended. However, this technology is estimated to cost \$525 per month plus \$2.50 for every alert generated. The FSD is unable to determine how many alerts would be received per month. However, if FSD received 3,200 alerts per month, the costs for this technology would exceed \$102,300 ($3,200 \text{ alerts} \times \$2.50 \text{ per alert} = \$8,000 \text{ monthly alert cost} + \$525 \text{ monthly base cost} = \$8,525/\text{month} \times 12 \text{ months}$).

Participants, who have not used their card within the state of Missouri within a sixty day timeframe, will receive a notice that their benefits will be suspended within thirty days after the date of the notice. There will be programming and mailing costs to this section. The FSD assumes these programming costs will be included in the coding changes to suspend the TANF cash benefits. The cost for bulk postage is 41 cents. The FSD is unable to determine how many households would receive a notice.

To allow FSD to suspend TANF cash benefits when a person is disqualified under this legislation, FIS/eFunds estimates a one-time cost of \$2,500 for coding changes to their system.

ASSUMPTION (continued)

The FSD can reasonably expect a reduction of TANF spending on cash assistance as a result of this legislation. However, this reduction would not result in a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program:

1. To provide assistance to needy families;
2. To end dependence of needy parents by promoting job preparation, work and marriage;
3. To prevent and reduce out-of-wedlock pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

Therefore the impact of Section 208.024, subsection 3, to the FSD is unknown, but greater than \$107,300 (\$2,500 for the monthly report + \$2,500 for the suspension technology + \$102,300 for the alert technology) for the first year and unknown, but greater than \$102,300 ongoing for the alert technology.

Oversight notes based on discussions with DSS staff that FSD does not currently receive any alerts from FIS for TANF recipients making out-of-state electronic benefit transfer transactions. Therefore, FSD does not have an “alert” history to support their assumption that they would receive 3,200 alerts a month. In addition, it is Oversight’s understanding that FSD is assuming they would receive an alert for every out-of-state electronic transaction, not just alerts for those TANF recipients that have made electronic transactions for 90 days exclusively out-of-state.

Therefore, Oversight assumes FSD’s costs for FY 15 would be “unknown, greater than \$11,300 [\$2,500 for monthly report + \$2,500 for the suspension technology + \$6,300 base cost of technology (\$525/month X 12 months) + unknown alert costs (\$2.50 per alert)]. FY 16 and FY 17 costs are assumed to be “unknown, greater than \$6,300” (\$525/month technology cost = \$6,300 + \$2.50/alert cost).

Officials from the **OA-ITSD** state:

Section 208.024.1 - would require the FAMIS system to add a sanction code for TANF recipients and change one program to look for this code and an expiration date.

Estimate:

20 hours Analysis
40 hours Modify Program Module to look for new sanction code
40 hours Modify Screen to accept new sanction code
40 hours Testing
140 hours

ASSUMPTION (continued)

Section 208.024.3 - FAMIS does not track the usage of funds; this is tracked by the vendor in Wisconsin, FIS/eFunds. DSS receives a transaction file from the EBT vendor daily. This file is used for fraud investigations currently.

A new program will be written to process the transaction files to identify offenders. A new technical eligibility factor will be built in FAMIS to track the usage of funds. Analysis, Design, Testing, and Construction would take 400 hours (both the new eligibility factor, related table values, and additional new screens/processes at 200 hours per functionality and this will also depend on the business rules regarding the 'temporary suspension'. There is already an eligibility factor to verify if the participant is a Missouri resident and the system should be able to reuse it.

Section 208.024.4 - The new notice would take approximately 200 hours to develop and implement.

Assumptions:

- ITSD Staff will make all the changes; and,
- Current rate for ITSD staff averages \$63.04 per hour.

Total Costs: 740 hrs x \$63.04/hr = \$46,650 (rounded). These costs are 100% General Revenue.

§208.027 - Repeal of Required Automatic Administrative Hearing

Officials from the **Department of Social Services (DSS) - Division of Legal Services (DLS)** stated this proposal amends Section 208.027 to remove the requirement for a mandatory administrative hearing if an individual has refused to be tested or has tested positive for illegal use of controlled substances. This proposal adds a new paragraph two (2) to Section 208.027 that allows an individual to request an administrative hearing be conducted by the DSS under the provisions of chapter 536, RSMo, if an individual has refused to be tested or has tested positive for the illegal use of controlled substances.

DLS anticipates that the proposed legislation would have an unknown fiscal impact on the division. DLS anticipates a decrease in administrative hearings. However, it is not possible to estimate the decrease in the number of such hearings because at this time all such hearings are mandatory. It is not possible to estimate how many individuals will elect to have a hearing once the mandatory hearing requirement is removed. DLS believes that it will take approximately two hours to conduct each hearing. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing. DLS assumes that hearing officers can hold approximately 900 hearings per year. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact.

ASSUMPTION (continued)

DLS assumes an "Unknown, less than \$100,000" savings, annually, as result of this proposal. The General Revenue (GR)/Federal match for these expenditures is 27%/73%.

Officials from the **DSS-FSD** state section 208.027 defines the method used by FSD to screen TANF participants for drug abuse. The screening is completed for every new applicant. Based upon the screening response, an applicant may be referred for drug testing. If the drug test is returned with a positive result or the participant does not show up for the drug test, they are given an automatic administrative hearing at that time.

This legislation removes all automated administrative hearings and requires that participants request a hearing. Currently, there are automated system actions in place to initiate the hearing process; Information Technology Services Division (ITSD) must delete this coding from the programs. This can be done with existing staff and/or resources.

There is no fiscal impact to FSD for Section 208.027.

§208.238 - Automated Eligibility

Officials from the **DSS-FSD** state current technology does not allow the FSD the ability to ensure individuals applying for or receiving program benefits are eligible. Current technology only indicates individuals may be eligible based on the best information available.

Technology does exist to verify and authenticate an individual's identity during the application process. Additionally, once individual's are initially determined eligible for benefit programs, periodic checks can be made for indicators that the individual may no longer be eligible for assistance. The FSD estimates this technology would cost \$2,085,000 to implement. However, the FSD estimates that such technology would result in savings of \$6,104,340 because this technology would assist FSD with identifying individuals ineligible for the MO HealthNet programs. This results in an overall savings of \$4,019,340. Additional savings may be possible for other programs; however, the amount of additional savings is unknown at this time.

Due to federal rules for the Food Stamp program, the FSD would be required to request a waiver to implement this process for Food Stamp applicants. If the waiver was not approved by Food and Nutrition Services, the FSD reasonably anticipates there could be sanctions imposed by the United States government if this process were implemented without an approved waiver. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

ASSUMPTION (continued)

The FSD assumes OA-ITSD will include any Family Assistance Management Information System (FAMIS)/Missouri Eligibility Determination and Enrollment System (MEDES) programming costs for the system changes needed to implement provisions of this section in their fiscal note response.

Oversight assumes implementation of an automated process to ensure applicants applying for benefit programs are eligible to receive benefits could have significant additional savings to the DSS, potentially reducing the number of staff needed to investigate allegations of potential fraud and abuse by recipients and staff needed to pursue collection and restitution of claim overpayments. These potential savings may be outside the scope of this fiscal note. The potential savings are unknown.

Oversight assumes costs and savings for DSS-FSD for FY 15 to be for 10 months. Oversight assumes FY 16 and FY 17 costs for the fraud detection process could exceed the amount provided by DSS - FSD.

Officials from the **OA-ITSD** state the MEDES contract can accommodate any changes required by this legislation. DSS assumes that changes will not be made to existing systems; as cases move into MEDES these requirements will be met. Therefore, there is no cost to ITSD.

Bill as a Whole

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Mental Health (DMH)** state the legislation places no obligation or requirement upon the DMH that would result in a fiscal impact.

Officials from the **Department of Agriculture** and the **Joint Commission on Administrative Rules** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

House Amendment 2

Officials from the **DSS-FSD** state:

Section 208.023:

This section would require that all EBT cards issued to Food Stamp recipients contain a photo of the recipient. Upon approval of the waiver, the FSD would be required to issue a photo identification card to each recipient. The FSD assumes it is the intent of the sponsor of this proposal to have the photo identification placed on the electronic benefits transfer card issued to each Food Stamp household with a recipient or protective payee authorized to use the card. While the photo would provide proof of identification, it does not provide proof of Food Stamp eligibility.

This section also requires retailers to not accept cards if the photo on the card does not match the person presenting the card. Federal regulation found at 7 CFR 278.2(b) states "No retail food store may single out coupon users for special treatment in any way". This rule applies to EBT users as well. Federal regulation found at 7 CFR 278.2(h) states "Where photo ID cards are in use, the person presenting the ID card need not be pictured on the card". Since retail establishments are licensed by the U.S. Department of Agriculture, Food and Nutrition Services, federal rules must be followed. Therefore, retail establishments must accept an EBT card even when the photo on the card does not match the person presenting the card.

In order to comply with the requirement of having a photo of the recipient on the EBT card, the FSD would be required to issue an EBT card with a photo to each household. The FSD estimates the cost to implement the provisions of this section to be greater than \$315,132 for the first year and \$101,434 for the second and third years. Every three years from implementation, the FSD would incur a much higher cost of replacement due to the requirement in this section that all cards expire and be subject to renewal every 3 years. This cost is estimated to be the same as the first year card issuance cost of \$187,207.

First year costs:

The implementation of placing a photo on the EBT cards for Food Stamp recipients will require a change to the current EBT contract and the systems. The FSD estimates the costs for these changes would be as follows:

The FSD estimates a cost of \$0.60 per card to issue an initial EBT card with a photo to all household. The FSD estimates 312,012 Food Stamp only households would need a new card with a photo. This would result in an initial cost of \$187,207 (\$0.60 per card x 312,012 cards = \$187,207.20, rounded down) to issue EBT cards with photos to all current FS only households.

ASSUMPTION (continued)

The FSD would need to mail at least one notice to each Food Stamp (FS)-only household notifying them to report to an FSD office to have a photograph taken. First class postage bulk rate will increase to \$0.41 as of January 27, 2014. At a cost of \$0.41 per notice, the FSD would incur mailing costs of \$127,925. (312,012 FS-only households x \$0.41 per notice = \$127,924.92, rounded up) to mail one notice to each household. This cost will increase if multiple notices are needed to ensure each household complies with the photo requirement.

There would be additional costs relating to the EBT contract for storage of the photos and additional household member data. However, the FSD is unable to provide an estimate of these costs at this time. Therefore, the first year costs are estimated to be unknown, but greater than \$315,132 (\$187,207 cards + \$127,925 postage) .

Ongoing Costs:

After the initial card issuance, there would be ongoing yearly costs for card replacement of lost, stolen, or damaged EBT cards. The FSD estimates the cost per photo card is \$0.60. An average of 14,088 EBT cards is replaced each month. Therefore, the FSD estimates yearly costs would be \$101,434 (\$0.60 per card x 14,088 cards replaced per month x 12 months = \$101,433.60 rounded up).

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)/DSS** state:

Passage of HB 1586 would require modifications to the Family Assistance Management Information System (FAMIS) and Electronic Benefit Transfer (EBT) systems.

FAMIS Estimates

FAMIS may also need to craft a process which will indicate to EBT if any participants benefits end.

Assumptions:

- Photo ID on the EBT card is not required for eligibility determination for Food Stamp benefits, per phone conversation with Program and Policy;
- Contract Staff will make the changes;
- Current rate for FAMIS contract staff averages \$90 per hour; and,
- Food Stamps is charged 50% GR and 50% Federal.

Estimate:

300 hours Analysis
800 hours Programming
400 hours Testing
1500 hours

Total Cost: 1500 hours X \$90/hr) = \$ 135,000

ASSUMPTION (continued)

FAMIS would be required to mail a one-time letter to all current Food Stamp recipients with instructions regarding the photo ID EBT card.

One time Letter Cost: The price per foot for simplex print is \$0.03098; therefore, the price for this one-time job will be 481,528 pages X 11 inches divided by 12 = 441,401 feet X \$0.03098 = \$13,675 rounded.

EBT System estimates:

<u>Function</u>	<u>Work Effort (hours)</u>
Analysis/Design	80
Coding	300
Testing	200
Implementation	<u>20</u>
Total:	600 hours

EBT costs: State Staff \$63.04/hr X 600 hours = \$ 37,824

Total Costs:

FAMIS Coding	\$135,000
FAMIS One-time letter	13,675
EBT Coding	<u>37,824</u>
Total	\$186,499

Food Stamps is 50% GR and 50% Federal split.

FISCAL IMPACT - State Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

GENERAL REVENUE FUND

Savings - DSS-DLS (§208.027)

Reduction in administrative hearing costs

Unknown, less
than \$22,500

Unknown, less
than \$27,000

Unknown, less
than \$27,000

Savings - DSS-FSD (§208.238)

Reduction in program benefit payments, staff, and other expenses

Unknown,
greater than
\$1,126,403

Unknown,
greater than
\$1,351,684

Unknown,
greater than
\$1,351,684

Total Savings - DSS

Unknown,
greater than
\$1,126,403

Unknown,
greater than
\$1,351,684

Unknown,
greater than
\$1,351,684

Costs - DSS-FSD (§208.018)

Start up and pilot project costs

\$0 to
(Unknown,
greater than
\$2,838,000)

\$0 to
(Unknown,
greater than
\$2,838,000)

\$0 to (Unknown,
greater than
\$2,838,000)

Costs - DSS-FSD (§208.023)

Equipment and expense for photo on EBT card

(Unknown,
greater than
\$157,566)

(Unknown,
greater than
\$50,717)

(Unknown,
greater than
\$50,717)

Costs - DSS-FSD (§208.238)

Contract costs for fraud detection

(Unknown,
greater than
\$868,250)

(Unknown,
could exceed
\$1,042,500)

(Unknown, could
exceed
\$1,042,500)

Total Costs - DSS

(Unknown,
greater than
\$1,025,816)

(Unknown,
greater than
\$1,093,217)

(Unknown,
greater than
\$1,093,217)

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND (cont.)			
<u>Costs - OA-ITSD</u>			
System programming costs (§§208.018 & 208.024)	(\$84,474)	\$0	\$0
System programming costs (§208.023)	<u>(\$93,250)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - OA-ITSD	<u>(\$177,724)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Could exceed \$2,915,137)</u>	<u>(Could exceed \$2,579,533)</u>	<u>(Could exceed \$2,579,533)</u>
VARIOUS OTHER STATE FUNDS			
<u>Savings - DSS-FSD (§208.238)</u>			
Reduction in program benefit payments, staff, and other expenses	<u>Unknown, greater than \$750,936</u>	<u>Unknown, greater than \$901,123</u>	<u>Unknown, greater than \$901,123</u>
ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS	<u>Unknown, greater than \$750,936</u>	<u>Unknown, greater than \$901,123</u>	<u>Unknown, greater than \$901,123</u>
FEDERAL FUNDS			
<u>Income - DSS-FSD (§208.238)</u>			
Program reimbursements for fraud detection contract	Unknown, greater than \$868,250	Unknown, could exceed \$1,042,500	Unknown, could exceed \$1,042,500
<u>Income - DSS-FSD (§208.023)</u>			
Program reimbursements for photo ID on EBT cards	Unknown, greater than \$157,566	Unknown, greater than \$50,717	Unknown, greater than \$50,717

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (cont.)			
<u>Income</u> - OA-ITSD/DSS (§§208.018 & 208.024)			
System programming reimbursements	\$37,824	\$0	\$0
<u>Income</u> - OA-ITSD/DSS (§208.023)			
System programming reimbursements	\$93,250	\$0	\$0
<u>Savings</u> - DSS-DLS (§208.027)			
Reduction in administrative hearing costs	Unknown, less than \$60,833	Unknown, less than \$73,000	Unknown, less than \$73,000
<u>Savings</u> - DSS-FSD (§208.238)			
Reduction in program benefit payments, staff, and other expenses	<u>Unknown, greater than \$3,209,611</u>	<u>Unknown, greater than \$3,851,533</u>	<u>Unknown, greater than \$3,851,533</u>
Total <u>All Income and Savings</u>	<u>Unknown, greater than \$4,366,501</u>	<u>Unknown, greater than \$4,944,750</u>	<u>Unknown, greater than \$4,944,750</u>
<u>Costs</u> - DSS-FSD (§208.023)			
Program expenditures for photo ID on EBT cards	(Unknown, greater than \$157,566)	(Unknown, greater than \$50,717)	(Unknown, greater than \$50,717)
<u>Costs</u> - DSS-FSD (§208.024)			
Contract modification, report, and alert notification costs related to TANF recipients	(Unknown, greater than \$11,300)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (cont.)			
<u>Costs - OA-ITSD/DSS (§§208.018 & 208.024)</u>			
Computer modification and update expenditures	(\$37,824)	\$0	\$0
<u>Costs - OA-ITSD/DSS (§208.023)</u>			
Computer modification and update expenditures	(\$93,250)	\$0	\$0
<u>Costs - DSS-FSD (§208.238)</u>			
Fraud detection contract costs	(Unknown, greater than \$868,250)	(Unknown, could exceed \$1,042,500)	(Unknown, could exceed \$1,042,500)
Total <u>All Costs</u>	(Unknown, greater than \$1,074,940)	(Unknown, greater than \$1,099,517)	(Unknown, greater than \$1,099,517)
<u>Loss - DSS-DLS (§208.027)</u>			
Reduction in reimbursements for administrative hearing costs	(Unknown, less than \$60,833)	(Unknown, less than \$73,000)	(Unknown, less than \$73,000)
<u>Loss - DSS-FSD (§208.238)</u>			
Reduction in reimbursements for program benefit payments, staff, and other expenses	(Unknown, greater than \$3,209,611)	(Unknown, greater than \$3,851,533)	(Unknown, greater than \$3,851,533)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	(Unknown, greater than \$11,300)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

§208.018 - This proposal could have a positive fiscal impact on small business farmers and farmers' markets.

§208.238 - This proposal could impact a wide variety of small businesses that provide goods and services to public assistance recipients if those recipients are deemed to be ineligible for public assistance before they receive benefits rather than after they receive benefits. It is assumed this proposal will have a negative impact on small businesses.

FISCAL DESCRIPTION

Section 208.018 - This proposal specifies that the Department of Social Services must establish a pilot program for the purpose of providing Supplemental Nutrition Assistance Program (SNAP) participants with access and the ability to afford fresh fruit and vegetables when purchasing fresh produce at farmers' markets in at least one rural and one urban area. Participants must be able to: (1) Purchase fresh produce with SNAP benefits with an electronic benefit transfer (EBT) card; and (2) Receive a dollar-for-dollar match for every SNAP dollar spent at a participating farmers' market in an amount up to \$10 per week whenever the participant purchases fresh produce with an EBT card. Purchases of approved fresh produce by SNAP participants must automatically trigger matching funds reimbursement into the vendor accounts by the department. The funding of this pilot program is subject to appropriation. In addition to appropriations from the General Assembly, the department may apply for available grants and is authorized to accept other gifts, grants, and donations to develop and maintain the program.

Section 208.024 - This proposal requires any recipient of benefits who makes electronic benefit transfer transactions exclusively outside the state for a period of 90 days to have his or her electronic benefit transfer card temporarily suspended, pending an investigation by the Department of Social Services to determine if he or she is a Missouri resident. If the department finds that a recipient is no longer a Missouri resident, it must disqualify him or her from all enrolled public assistance benefit programs.

Section - 208.027 - This proposal repeals the provision requiring an automatic administrative hearing after an applicant or recipient of temporary assistance for needy families benefits tests positive for a controlled substance or refuses to test. The applicant may request an administrative hearing.

FISCAL DESCRIPTION (continued)

Section 208.028 - This proposal requires the Department of Social Services to implement an automated process to ensure an applicant is eligible to apply for a benefit program. The automated process must be designed to periodically review any current beneficiary to ensure he or she is still eligible for any benefit they are receiving. The system must check applicant and recipient information against multiple sources of information through an automated process.0

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Mental Health
Joint Commission on Administrative Rules
Office of Secretary of State
Department of Social Services -
 Family Support Division
Office of Administration -
 Information Technology Services Division

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